

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>UNITED STATES OF AMERICA</b>	<b>:</b>	<b>CRIMINAL NO. 07-</b>
<b>v.</b>	<b>:</b>	<b>FILED:</b>
<b>EVELYN F.P. SABUGO, M.D.</b>	<b>:</b>	<b>VIOLATIONS:</b>
	<b>:</b>	<b>21 U.S.C. § 846 (conspiracy to distribute</b>
	<b>:</b>	<b>controlled substances - 1 count)</b>
	<b>:</b>	<b>18 U.S.C. § 1347 (health care fraud -</b>
	<b>:</b>	<b>20 counts)</b>
		<b>18 U.S.C. § 2 (aiding and abetting)</b>

**INDICTMENT**  
**COUNT ONE**

**THE GRAND JURY CHARGES THAT:**

At all times relevant to this indictment:

1. Defendant EVELYN F.P. SABUGO, M.D., was a medical doctor licensed to practice medicine in the Commonwealth of Pennsylvania, with a medical practice at 450 West Dauphin Street, Philadelphia, PA.
2. As a medical doctor, defendant EVELYN F.P. SABUGO, M.D., was well acquainted with prescription medicines, including controlled substances.
3. The Controlled Substances Act governed the manufacture, distribution, and dispensing of controlled substances in the United States. Under this statute, there were five schedules of controlled substances – Schedules I, II, III, IV, and V. Controlled substances were scheduled into these levels based upon several factors, including their actual or relative potential for abuse, their history and current pattern of abuse, and their risk, if any, to the public health. Schedule II drugs have a high potential for abuse, and abuse of a Schedule II drug may lead to severe psychological or physical dependence. Drugs designated as Schedule II controlled

substances included cocaine, methamphetamine, phencyclidine (PCP), and oxycodone.

4. As a medical doctor, defendant EVELYN F.P. SABUGO, M.D., was authorized to prescribe medicine to patients, including controlled substances, as long as she did so for a legitimate medical purpose and in the usual course of her professional practice. A prescription for a controlled substance that did not meet this standard was an invalid prescription. The distribution of a controlled substance based upon an invalid prescription was an illegal distribution.

5. For at least several years, defendant EVELYN F.P. SABUGO, M.D., operated her medical practice as a "pill-mill," meaning that she regularly sold prescriptions for controlled substances, for a fee, to so-called patients, or customers, without any legitimate medical purpose or any proper doctor/patient relationship, and outside the usual course of professional practice. A large number of these prescriptions were for highly addictive pain killers and amphetamines.

### **CONSPIRACY**

6. From in or about July 2002 through in or about September 2006, in the Eastern District of Pennsylvania, and elsewhere, defendant

#### **EVELYN F.P. SABUGO, M.D.,**

conspired and agreed together with a person known to the grand jury and referred to here as M.T., and with other persons known and unknown to the grand jury, to knowingly and intentionally distribute Schedule II controlled substances, in violation of Title 21, United States Code, Section 841(a)(1) and (b)(1)(C).

## **MANNER AND MEANS**

It was part of the conspiracy that:

7. Defendant EVELYN F.P. SABUGO, M.D., sold prescriptions for Schedule II controlled substances to M.T., among others, without a legitimate medical purpose and outside the usual course of professional practice.

8. Defendant EVELYN F.P. SABUGO, M.D., sold prescriptions for Schedule II controlled substances to M.T. in M.T.'s name and that of M.T.'s spouse. Defendant SABUGO did not have a valid doctor/patient relationship with M.T.'s spouse, and indeed had never met her.

9. From in or about June 2004 through in or about June 2006, defendant EVELYN F.P. SABUGO, M.D., sold approximately 74 prescriptions for Schedule II controlled substances to M.T. in the name of M.T.'s spouse, and approximately 99 prescriptions for Schedule II controlled substances to M.T. in M.T.'s own name.

10. Defendant EVELYN F.P. SABUGO, M.D., made false statements to a Drug Enforcement Administration Diversion Agent about her prescriptions and prescribing habits.

## **OVERT ACTS**

In furtherance of the conspiracy, defendant EVELYN F.P. SABUGO, M.D., and others known and unknown to the grand jury, committed the following overt acts in the Eastern District of Pennsylvania and elsewhere:

1. On or about July 5, 2005, defendant EVELYN F.P. SABUGO, M.D., sold two prescriptions for Schedule II controlled substances to M.T. in the name of M.T.'s spouse, one for Oxycontin and one for Endocet, for a total of 420 tablets.

2. On or about July 15, 2005, defendant EVELYN F.P. SABUGO, M.D., sold two prescriptions for Schedule II controlled substances to M.T. in the name of M.T.'s spouse, one for Endocet and one for amphetamines, for a total of 300 tablets.

3. On or about July 27, 2005, defendant EVELYN F.P. SABUGO, M.D., sold two prescriptions for Schedule II controlled substances to M.T. in the name of M.T.'s spouse, one for Oxycontin and one for Endocet, for a total of 420 tablets.

4. On or about August 6, 2005, defendant EVELYN F.P. SABUGO, M.D., sold two prescriptions for Schedule II controlled substances to M.T. in the name of M.T.'s spouse, one for Oxycodone and one for amphetamines, for a total of 300 tablets.

5. On or about August 23, 2005, defendant EVELYN F.P. SABUGO, M.D., sold two prescriptions for Schedule II controlled substances to M.T. in the name of M.T.'s spouse, one for Oxycontin and one for Endocet, for a total of 420 tablets.

6. In or about September 2005, defendant EVELYN F.P. SABUGO, M.D., sold six prescriptions for Schedule II controlled substances to M.T. in the name of M.T.'s spouse, one for Oxycontin, one for Oxycodone, two for Endocet, and two for amphetamines, for a total of 920 tablets.

7. On or about June 30, 2006, defendant EVELYN F.P. SABUGO, M.D., sold three prescriptions for Schedule II controlled substances to M.T. in the name of M.T.'s spouse, one for Oxycontin, one for Percocet, and one for amphetamines, for a total of 640 tablets.

All in violation of Title 21, United States Code, Section 846.

## **COUNTS TWO THROUGH TWENTY-ONE**

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs one through five and seven through ten of Count One are incorporated here.
2. M.T. and M.T.'s spouse were insured for prescription drugs through PharmaCare Management Services, Inc. ("PharmaCare"). PharmaCare provided this prescription drug coverage through the employer of M.T.'s spouse.
3. PharmaCare's prescription drug coverage was a "health care benefit program" as defined by 18 U.S.C. § 24(b).

### **THE SCHEME**

4. From in or about July 2002 through in or about July 2006, defendant

**EVELYN F.P. SABUGO, M.D.,**

knowingly and willfully executed, and attempted to execute, and aided and abetted the execution of, a scheme and artifice to defraud PharmaCare, a health care benefit program, and to obtain, by means of false and fraudulent pretenses, representations and promises, money and property owned by, and under the custody and control of PharmaCare, by submitting, and aiding and abetting the submission of, false and fraudulent claims for reimbursement for prescription drugs issued in the names of M.T. and M.T.'s spouse.

### **MANNER AND MEANS**

It was part of the scheme that:

5. Defendant EVELYN F.P. SABUGO, M.D., sold prescriptions for Schedule II controlled substances to M.T., without a legitimate medical purpose and outside the

usual course of professional practice.

6. Defendant EVELYN F.P. SABUGO, M.D., knew that M.T. was insured for prescription benefits through the employment of M.T.'s spouse.

7. Defendant EVELYN F.P. SABUGO, M.D., never provided medical treatment to M.T.'s spouse, and never had a legitimate doctor/patient relationship with M.T.'s spouse.

8. Defendant EVELYN F.P. SABUGO, M.D., sold prescriptions to M.T. in the name of M.T.'s spouse, knowing that M.T. would fill those prescriptions for M.T.'s own use and not for M.T.'s spouse.

9. Defendant EVELYN F.P. SABUGO, M.D., knew that the prescriptions that she issued in the names of M.T. and M.T.'s spouse would be submitted to a prescription drug benefits plan for reimbursement.

10. Defendant EVELYN F.P. SABUGO, M.D., knew that M.T. wanted the prescriptions written in the spouse's name in order to assist M.T. in getting reimbursement for these prescriptions, and to avoid detection by the prescription drug benefits plan.

11. From in or about July 2002 through in or about September 2006, defendant's actions caused PharmaCare to pay about \$60,475 in reimbursement for approximately 186 prescriptions for controlled substances fraudulently issued and filled in the name of M.T.'s spouse, and about \$49,153 in reimbursement for approximately 98 prescriptions for controlled substances issued in M.T.'s name.

12. On or about each of the dates listed below (each date constituting a separate count of this indictment), in the Eastern District of Pennsylvania and elsewhere,

defendant

**EVELYN F.P. SABUGO, M.D.,**

knowingly and willfully executed a scheme and artifice to defraud a health care benefit program, that is, PharmaCare Management Services, Inc., and to obtain money and property owned by and under the custody and control of that health care benefit program by means of false and fraudulent pretenses, representations, and promises, in connection with the delivery of and payment for health care benefits, items and services, and aided and abetted that scheme and artifice, by submitting, and aiding, abetting, and willfully causing the submission of fraudulent health care insurance claims for prescription drugs that defendant had prescribed in the name of M.T.'s spouse, when defendant knew that M.T.'s spouse was not defendant's patient, that M.T.'s spouse was not going to use the drugs prescribed, that defendant had issued these prescriptions to M.T. without a legitimate medical purpose and outside the usual course of professional practice, and that defendant had done so to help M.T. get PharmaCare to pay for these drugs, as follows:

<b>COUNT</b>	<b>DATE OF CLAIM TO PHARMACARE</b>	<b>PRESCRIPTION DRUGS COVERED BY CLAIM</b>	<b>AMOUNT OF PAYMENT BY PHARMACARE</b>
Two	6/30/06	Percocet, 10 mg, 280 tablets	\$ 705
Three	6/30/06	Amphetamine, 30 mg, 120 tablets	\$ 38
Four	6/30/06	Oxycontin, 80 mg, 240 tablets	\$2,240
Five	9/28/05	Oxycodone, 10 mg, 80 tablets	\$ 37
Six	9/24/05	Amphetamine, 30 mg, 120 tablets	\$ 63
Seven	9/21/05	Oxycontin, 80 mg, 240 tablets	\$2,177
Eight	9/15/05	Endocet, 10 mg, 180 tablets	\$ 109
Nine	9/6/05	Endocet, 10 mg, 180 tablets	\$ 109
Ten	9/1/05	Amphetamine, 30 mg, 120 tablets	\$ 74



Eleven	8/23/05	Oxycontin, 80 mg, 240 tablets	\$2,177
Twelve	8/23/05	Endocet, 10 mg, 180 tablets	\$ 109
Thirteen	8/11/05	Amphetamine, 30 mg, 120 tablets	\$ 63
Fourteen	8/6/05	Oxycodone, 10 mg, 180 tablets	\$ 98
Fifteen	8/3/05	Oxycontin, 40 mg, 240 tablets	\$1,147
Sixteen	7/27/05	Endocet, 10 mg, 180 tablets	\$ 109
Seventeen	7/15/05	Endocet, 10 mg, 180 tablets	\$ 109
Eighteen	7/15/05	Amphetamine, 30 mg, 120 tablets	\$ 74
Nineteen	7/5/05	Oxycontin, 40 mg, 240 tablets	\$1,157
Twenty	7/5/05	Endocet, 10 mg, 180 tablets	\$ 109
Twenty-One	6/23/05	Amphetamine, 30 mg, 120 tablets	\$ 142

All in violation of Title 18, United States Code, Sections 1347 and 2.

## **NOTICE OF FORFEITURE**

### **THE GRAND JURY FURTHER CHARGES THAT:**

1. As a result of the violation of Title 21, United States Code, Section 846, set forth in this indictment, defendant

**EVELYN SABUGO, M.D.,**

shall forfeit to the United States of America:

(a) any property used or intended to be used, in any manner or part, to commit, or to facilitate the commission of, such offense, including, but not limited to:

Real property located at 450 West Dauphin, Philadelphia, PA 19133;

(b) any property constituting, or derived from, proceeds obtained directly or indirectly from the commission of such offense.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 21, United States Code, Section 853.

**A TRUE BILL:**

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**FOREPERSON**

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**PATRICK L. MEEHAN**  
**United States Attorney**